

Statement by
Department of Human Services Director Marianne Udow
Regarding the Auditor General's August 2005
Performance Audit of the Children's Foster Care Program
September 6, 2005

The safety of children is the number one priority of the Department of Human Services (DHS). That is why we have been focused for some time on reforming the child welfare system in Michigan.

The audit, which covers a period from Oct. 2000 to May 2004, identifies several long-standing issues within the department. Many of these issues will be addressed by efforts to strengthen the system that have been underway for the past two years. Specifically, we will be able to perform more frequent background checks and Web-based provider monitoring.

Even more fundamentally, we have been focusing our efforts on reforming the entire child welfare system in Michigan to give our children what they really need: safe, stable families and communities that truly protect them.

Before reviewing the reforms underway, I would like to take the opportunity to correct a key piece of misinformation in the audit. The finding in the audit that concerned me the most - and was the subject of numerous misinterpretations in the press - was the 321 "foster care providers" noted as having criminal convictions. When we saw that number (at the time of public release of the audit) we immediately took action to examine the records for those 321 individuals. Simply put, the number was misleading and incomplete.

- Most of the 321 mentioned in the audit – **nearly two-thirds – are biological or adoptive parents, not foster care providers.** These are parents who are being reunified with their children, based on court order, after having completed the required changes necessary to assure that their children can safely be returned to their care. We have been working with these families, we have been involved in these children's lives, and we have been helping these parents improve so their families can be reunited.
- **Ten of the cited cases did not have a child placed with them at any time.**
- **Four of the placements were ordered by the courts in cases where our staff had made a different recommendation.**
- **16 are licensed providers,** and were the subject of background checks and risk/safety assessments at the time of licensure to ensure they had only convictions that would not pose a risk to children (e.g. disturbing the peace, driving with expired plates, writing bad checks).
- **The rest are relatives – uncles, aunts, grandparents, siblings.** While licensing of relatives is not required, before a child was placed with any of these relatives the department conducted a criminal history background check and a risk and safety assessment. Of the relatives, 89 had convictions for crimes that did not inherently pose a risk to children. All were specifically reviewed by DHS staff and the courts, which determined them to be the best placement for the child.

Of course, even though the data in the audit were incomplete and misleading, that doesn't mean there isn't room for significant improvement. There are real issues identified by the audit and we continue to focus on strengthening Michigan's child welfare system. We are committed to doing whatever is

humanly possible to protect the children in our care. And indeed, there are many actions we have had underway for the past two years that will address some of the significant findings in the audit.

With regard to the specific audit findings, DHS already has major improvements underway. These include:

Finding 1: Criminal History Background Checks

To ensure that a risk and safety assessment is performed in cases when a conviction occurs after a placement, DHS has been working with the Department of Information Technology (DIT) and the Michigan State Police (MSP) to automate periodic background checks. This effort has been underway for many months prior to the audit and a solution will be in place within the next 60 days. This monthly match between DHS and MSP data will be in addition to an existing weekly match with the child abuse registry. In addition, by the end of the year, service records will be automated such that documentation of background checks by case workers will be ensured.

We are also recommending a change to the licensure act (PA 116) to require periodic background checks. SB 615, SB 504 and HB 4936, now pending in the legislature, will change the requirements for child day care providers. If these cannot be amended to include foster care providers, we will recommend additional legislation to do so.

Finding 2: Interstate Foster Care Services

This issue is one that we will continue to discuss with the courts. We agree that no child should be placed out of state without a completed home study. This currently can only be enforced through the court system and we will be working with the State Court Administrator's Office to strengthen this practice.

Finding 3: Required Visits

Our policy and federal statutes require monthly visits by caseworkers to children in foster care. We agree that this is essential. While we believe that more visits occurred than were noted by the auditors, we also agree that not as many occurred as there should have been. We are enhancing our Services Worker Support System (SWSS) system so visits that were actually made must be documented. However, we know that this will not fix the entire problem. Inadequate staffing levels continue to hamper our efforts in this area. This will not be fully addressed until we have more funding for the child welfare system.

The Child Welfare League of America recommends a caseload ratio of 15 to 1. To achieve this, we need an additional 160 staff (a 20 percent increase).

Finding 4: Foster Care Service Plans

To address the issue of proper case file documentation, by the end of the year service records will be automated such that documentation of foster care service plans by case workers will be ensured. Again, the issue of staffing impacts the department's ability to fully resolve this issue.

Finding 5: Basic Health Care Services

This area was noted as a strength in Michigan's federal Child and Family Services Review. In March of this year, we implemented the full automation of the immunization records of children through the "medical passport." The auditor general acknowledged we improved this tracking system. This resolves a past issue related to the proper documentation of child immunizations.

With regard to the annual health exam, we are working with foster parents and staff to ensure that annual physical exams are done timely and properly documented. Our automation enhancements will alert the worker if this documentation is not present and will assist supervisors in identifying those cases where documentation is missing.

Finally, with regard to missing dental visits, this is a fundamental problem within the Medicaid system. Simply put, there are very few dentists in the state willing to accept Medicaid reimbursement at the rates currently paid. Indeed, we would hope that the legislature could find more funding for Medicaid so that dental services would be more accessible for our children in foster care.

Finding 6: Contract Monitoring

Currently, private agencies provide nearly 40 percent of the foster care in the state of Michigan. These agencies are required to uphold the same standards as DHS. We do believe that oversight of these contracting agencies is essential. However, we agree with the auditor that our ability to monitor these contracts is truly limited right now. We currently have only five staff in the Purchased Services Division monitoring 87 agencies with 200 separate contracts. Some additional monitoring is provided by licensing staff and local office staff, but to monitor at the frequency we think is appropriate (once every 18-24 months) we would need to double the size of the Purchased Services Division from five to ten analysts. We hope the legislature will help provide additional funding for this important service.

Finding 7: Per-diem Contract Rates

The auditor is correct in noting that our payment structure for the foster care system has not been effective. In fact, one of the first things that I was surprised about coming into the department is how out of alignment the payment structure was with the goals for improving child welfare. As a result, for the past two years, we have had a public/private partnership looking at how we can strengthen the child welfare system. One issue that has been under discussion is revamping our payment structure for the private sector. We are just coming to closure on that issue and intend to have an entirely different structure in place shortly. Among many other goals, the revamped payment structure will reduce the variations in payment by region and by provider.

Finding 8: Monitoring of Contracted Agency Foster Care Workers

The issues noted in this finding are essentially the same as those noted in Finding 6. Later this fall we will be implementing a computerized interface with our private providers that will improve our ability to monitor cases in which clients are receiving service from contracted agencies. This will give local office monitoring staff the most up-to-date information on every case. We also will be releasing monthly monitoring reports to the Web for all public and private foster care providers. This information also will be accessible to the public.

Finding 9: Child Welfare Outcomes

The seven outcomes cited by the auditors are from the federal Child and Family Services Review (CFSR) and present the highest goals to which states should aspire, not minimum mandates. We entirely embrace these goals and have set our desired outcomes. We have an improvement plan in place that has been approved by the federal government and is on track with our overall goals for revamping the child welfare system. Core to that improvement plan is the effort we have underway with our Family to Family model. For the reporting quarter that ended June 1, the following is our performance on measures relating to the goals:

- Fewer than 6.1 percent of substantiated victims of child abuse or neglect will have a reoccurrence of maltreatment within 6 months. **Michigan's performance is 4.3percent.**
- Less than 0.57 percent of children in foster care will be victims of further abuse or neglect while in care. **Michigan's performance is 0.15 percent.**
- Of the children placed into care, fewer than 8.6 percent will have been in care in the past 12 months. **Michigan's performance is 1.15 percent.**
- Children in care will have less than 3 placements 86.7 percent of the time. **Michigan's performance is 86.52 percent.**
- For children in care who return home, 76.2 percent will be reunited with their parents within 12 months. **Michigan's performance is 29.7 percent.** Improvement on this goal is a primary focus of our child welfare reform initiative, Family to Family, which targets prevention, early intervention, appropriate placement, family preservation, and permanence.
- For those children adopted, 32.0 percent will have the adoption completed within 24 months from removal. **Michigan's performance is 30.06 percent.**

Finding 10: Program Evaluation

We do agree that evaluation is fundamental to our ability to know whether or not we are achieving goals for the children and families we serve. Evaluation will be a key part of our child welfare reform initiative. We have a new Deputy Director for Children's Services and I have asked him to significantly enhance our outcome and evaluation measures.

While we are continuing to implement the specific measures cited above, our efforts go far beyond strengthening tools and practices. We are fundamentally reforming Michigan's child welfare system using proven tools that target child abuse prevention, early intervention, appropriate placement, family preservation, and permanence.

An essential component of this reform is the Family to Family model, which has achieved positive outcomes for children in Wayne County, this past year, and is now in place in 20 Michigan counties. The Family to Family model has a national track record of positive results in numerous other states. It protects children by:

- Increasing family involvement in developing safety and services plans for their children.
- Making better use of individualized services to meet the unique needs of each family.
- Using extended family, kin, and community-based resources to support the family and monitor the safety of children.
- Keeping the children in the community, their school, and with siblings who know what is "normal" for the child and can be alert to any changes that may signal problems.

After inheriting the problems described in the audit, we have already made fundamental changes in the system and continue to do so. We know you hear departments call for resources time and time again, but we believe the protection of children warrants special consideration in the debate over budget allocations. In order to create lasting change, we all must follow through on a shared commitment recognizing that resources are critical for child protection. This is an investment that will pay great dividends for the state, for families, and most importantly, for children.